

CASE NO. 2008-06223



City of Harrodsburg

Mayor
Lonnie Campbell

Commissioners
Joe Hood ❖ Jack C. Springate
Kevin Perkins ❖ Eddie Long

June 2, 2008

Stephanie Stumbo
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, Ky., 40602-0615

RECEIVED

JUN 02 2008

PUBLIC SERVICE
COMMISSION

Re: City of Harrodsburg

Dear Stephanie Stumbo:

Enclosed please find the notice and rate sheet for the City of Harrodsburg regarding Kentucky River Authority fees.

I would like to thank Brent Kirtley and Sam Reid for their assistance with this matter.

Sincerely,

Ed Music
Ed Music

Budget Director

CC: Board of Commissioners

NOTICE

Harrodsburg Water department has filed a proposed rate schedule which will increase the separate line item rate of the Kentucky River Authority Withdrawal Fee for water service provided as follows:

	<u>Current KRA Fee</u>	<u>Proposed KRA Fee</u>	<u>% increase</u>
North Mercer Water District	\$0.028424 per 100 cubic ft.	\$0.06201190 per 100 cubic ft.	118% Increase
Lake Village Water Association	\$0.028424 per 100 cubic ft.	\$0.06201190 per 100 cubic ft.	118% Increase

The proposed effective date is June 22, 2008.

The rates contained in this notice are the rates proposed by Harrodsburg Water Department. However, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings made by Harrodsburg Water Department by visiting the Harrodsburg Mayor's Office located at 208 S. Main St in Harrodsburg, Kentucky 40330; telephone 859-734-7705.

Any person may examine the rate application and other filings made by Harrodsburg Water Department by visiting the Harrodsburg Mayor's Office located at 208 S. Main St in Harrodsburg, Kentucky 40330; telephone 859-734-7705.



City of Harrodsburg

Mayor
Lonnie Campbell

Commissioners
Joe Hood ❖ Jack C. Springate
Kevin Perkins ❖ Eddie Long

June 4, 2008

Stephanie Stumbo
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

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JUN 6 2008

**PUBLIC SERVICE
COMMISSION**

RE: Tariff Filing by the City of Harrodsburg Water Department
Kentucky River Authority Withdrawal Fee

Dear Ms. Stumbo:

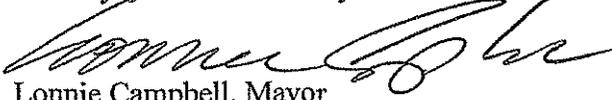
Effective April 1, 2008, the Kentucky River Authority increased the rate it charges for Tier II withdrawal fees from \$0.016 per thousand gallons to \$0.06 per thousand gallons for water taken from the Kentucky River watershed.

Harrodsburg provides wholesale water service to Lake Village Water Association and North Mercer Water District, both of which are public utilities under the jurisdiction of the Public Service Commission.

Harrodsburg respectfully requests the rate adjustment be allowed to become effective upon a twenty (20) day notice instead of the customary thirty (30) day notice, thus providing for an effective date of June 22, 2008. Pursuant to KRS 278.180(1), the Commission may shorten the notice period to twenty days based on a showing of good cause.

The sole purpose of this filing is to "pass along" the KRA withdrawal fees incurred by Harrodsburg to provide wholesale service to the jurisdictional utilities. Harrodsburg was told by the Kentucky River Authority that the rate adjustment could be implemented without the approvals normally required for rate increases. Public Service Commission Staff has since informed Harrodsburg of its need to file the rate prior to implementing the increase. Good cause exists for the deviation because the new KRA rate has already become effective and Harrodsburg has already incurred these additional costs. Moreover, both Lake Village Water Association and North Mercer Water District were given notice of the adjustment in April and are aware that it is not a general rate increase but simply a "pass along" adjustment.

Thank you in advance for your consideration to this request,


Lonnie Campbell, Mayor
City of Harrodsburg

208 S. Main Street • Harrodsburg, Kentucky 40330
(859) 734-7705 • Fax (859) 734-6231



City of Harrodsburg

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June 2, 2008

Stephanie Stumbo
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, Ky., 40602-0615

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JUN 4 2008

**PUBLIC SERVICE
COMMISSION**

Re: City of Harrodsburg

Dear Stephanie Stumbo:

This responds to your letter of May 28, 2008. The City of Harrodsburg is well aware of Simpson County Water District v. City of Franklin. The City was acting in good faith in passing along Kentucky River Authority water user fees based on The KRA Executive Director's letter of January 3, 2008 which indicated that by state law the City could pass this user fee on directly to its customers without action normally required for a rate increase. I discussed this letter with your Assistant General Counsel who advised me that the KRA letter was incorrect.

The City has filed its proposed rate revisions with the Public Service Commission and intends to ask for expedited approval in accordance with PSC regulations. The City has discontinued charging the additional user fee for the two water districts and both will receive credits for amounts paid.

I would like to thank Brent Kirtley for his assistance. You are lucky to have such an exemplary public employee.

Sincerely,

Ed Music
Ed Music

Budget Director

CC: Board of Commissioners

CC: NMWD

CC: LVWA

FOR Harrodsburg, Kentucky
Name of Municipality

P.S.C. KY. NO. 1

2nd Revised SHEET NO. 1

City of Harrodsburg Water Department
(Name of Municipal Utility)

CANCELLING P.S.C. KY. NO. 1

1st Revised SHEET NO. 1

RATES AND CHARGES

Rates for North Mercer Water District and Lake Village Water Association:

First	250 cubic feet	\$6.27	per 100 cubic feet
Next	750 cubic feet	2.38	per 100 cubic feet
Next	3,000 cubic feet	2.07	per 100 cubic feet
Next	6,000 cubic feet	1.76	per 100 cubic feet
Next	25,000 cubic feet	1.50	per 100 cubic feet
Next	25,000 cubic feet	1.25	per 100 cubic feet
Next	60,000 cubic feet	1.00	per 100 cubic feet

Kentucky River Authority Withdrawal Fee:

Tier I Fee	\$0.01645600	per 100 cubic feet
Tier II Fee	<u>\$0.04488000</u>	per 100 cubic feet
Sub-Total	\$0.06133600	per 100 cubic feet
Adjustment to recover the full cost of the KRA Fee	<u>\$0.00067590</u>	per 100 cubic feet
Total for separate Line Item	<u>\$0.06201190</u>	per 100 cubic feet

NOTE: This page only revises the Kentucky River Authority Withdrawal Fee. The usage rates remain the same as set forth in PSC Tariff Filing 2003-01629 and effective for service rendered on and after January 10, 2004.

DATE OF ISSUE June 2, 2008
Month / Date / Year

DATE EFFECTIVE June 22, 2008
Month / Date / Year

ISSUED BY Fd Murren
(Signature of Officer)

TITLE Budget Director / SPC

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. N/A DATED N/A